

3Q15 Earnings Results



PAN

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Highlights

- ✓ **Retail origination monthly average of R\$ 1,319.5 million in 3Q15, 4.6% up** on the monthly average of R\$ 1,382.7 million in 2Q15 and **24.9% up** on the monthly average of R\$ 1,056.2 million in 3Q14;
- ✓ **Corporate Credit Portfolio of R\$ 4,322.7 million in 3Q15**, stable compared to the R\$ 4,361.3 million in 2Q15 and **18.1% up** on the R\$ 3,659.1 million in 3Q14;
- ✓ **Credit Portfolio with Retained Result totaled R\$ 18.0 billion**, stable compared to the R\$ 18.2 billion in 2Q15 and **9.6% up** on the R\$ 16.4 billion in 3Q14;
- ✓ **Allowance for Loan Losses Recurrent Expenditure of R\$ 136.4 million**, compared to R\$ 193.3 million in 2Q15 and R\$ 160.4 million in 3Q14;
- ✓ **Managerial Net Interest Margin of 12.7% in 3Q15**, compared to 16.0% in 2Q15 and 8.9% in 3Q14;
- ✓ **Net Profit of R\$ 44.3 million in 3Q15**, compared to the net profit of R\$ 3.6 million in 2Q15 and the net loss of R\$ 69.7 million in 3Q14; and
- ✓ **Consolidated Shareholders' Equity reached R\$ 3,602.0 million and the Basel ratio stood at 16.3%** at the end of 3Q15, with **Common Equity Tier I of 11.8%**.

Managerial Interest Margin and Net Result

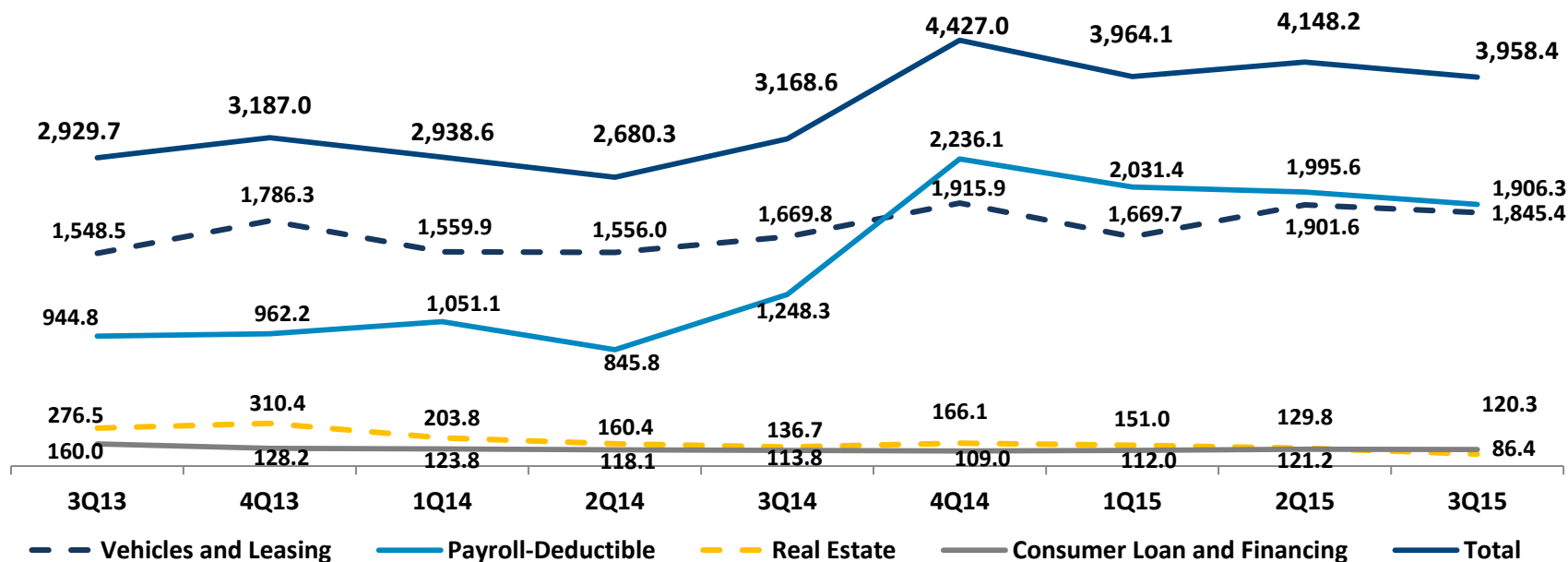
Managerial Net Interest Margin (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Gross Income from Financial Intermediation	348.7	647.0	213.1	-46.1%	63.6%
(+) Allowance for Loan Losses	323.0	273.5	229.6	18.1%	40.7%
Income from Financial Intermediation Before ALL	671.7	920.5	442.7	-27.0%	51.7%
(+) Exchange Rate Variation	(17.1)	(108.8)	(18.1)	84.3%	5.7%
1. Managerial Net Interest Margin	654.6	811.7	424.6	-19.4%	54.2%
(-) Result from Credit Assignments	104.4	331.8	2.9	-68.5%	3445.3%
2. Managerial Net Interest Margin without Credit Assignments	550.2	479.9	421.6	14.6%	30.5%
3. Average Interest-Earning Assets	21,543.0	21,518.8	19,808.1	0.1%	8.8%
- Average Loan Portfolio	17,927.3	17,996.1	16,110.7	-0.4%	11.3%
- Average Securities and Derivatives	2,302.9	2,314.7	2,031.4	-0.5%	13.4%
- Average Interbank Investments	1,312.8	1,208.1	1,666.1	8.7%	-21.2%
(1)/(3) Managerial Net Interest Margin (% p.a.)	12.7%	16.0%	8.9%	-3.2 p.p.	3.9 p.p.
(2)/(3) Managerial Net Int. Marg. without Credit Assig. - NIM (% p.a.)	10.6%	9.2%	8.8%	1.4 p.p.	1.8 p.p.

P&L Statement (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Managerial Net Interest Margin	550.2	479.9	421.6	14.6%	30.5%
Result from Credit Assignments	104.4	331.8	2.9	-68.5%	3445.3%
Net Interest Margin with Credit Assignments	654.6	811.7	424.6	-19.4%	54.2%
Allowance for Loan Losses	(323.0)	(273.5)	(229.6)	-18.1%	-40.7%
Gross Income from Financial Intermediation (Adjusted)	331.6	538.2	195.0	-38.4%	70.1%
Other Operating Revenues (Expenses)	5.7	1.6	97.9	264.0%	-94.2%
Administrative and Personnel Expenses	(455.4)	(447.4)	(359.9)	-1.8%	-26.5%
Tax Expenses	(61.5)	(66.8)	(43.2)	7.9%	-42.4%
Income from Operations	(179.6)	25.6	(110.3)	-800.9%	-62.9%
Non Operating Expenses	(14.2)	(14.3)	(14.3)	0.8%	0.8%
Income and Social Contribution Taxes	238.0	(7.7)	54.9	3182.6%	333.6%
Net Income	44.3	3.6	(69.7)	1130.7%	163.6%

Credit Origination: Retail

Quarterly Asset Origination

(R\$ MM)



Average Monthly Origination by Product

(R\$ MM)

Products	3Q15		2Q15		3Q14		Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
	Production	%	Production	%	Production	%		
Payroll-Deductible	635.4	48.2%	665.2	48.1%	416.1	39.4%	-4.5%	52.7%
Vehicles and Leasing	615.1	46.6%	633.9	45.8%	556.6	52.7%	-3.0%	10.5%
Real Estate	28.8	2.2%	43.3	3.1%	45.6	4.3%	-33.4%	-36.8%
Consumer Loan and Financing	40.1	3.0%	40.4	2.9%	37.9	3.6%	-0.8%	5.7%
Total	1,319.5	100.0%	1,382.7	100.0%	1,056.2	100.0%	-4.6%	24.9%

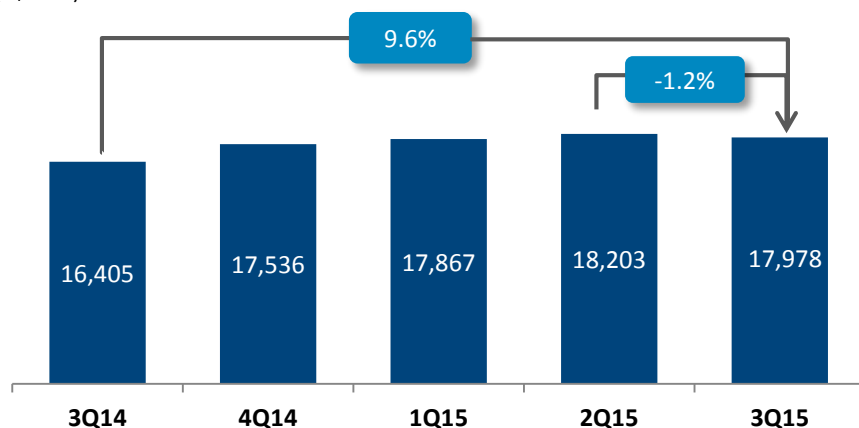
Credit Portfolio

Expanded Credit Portfolio “on balance sheet”

Type of Loans (R\$ MM)	3Q15	Part. %	2Q15	Part. %	3Q14	Part. %	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Vehicle Financing	6,080.7	33.8%	6,329.1	34.8%	7,595.6	46.3%	-3.9%	-19.9%
Payroll Deduction Loans ¹	5,025.5	28.0%	5,250.6	28.8%	3,168.1	19.3%	-4.3%	58.6%
Corporate	4,322.7	24.0%	4,361.3	24.0%	3,659.1	22.3%	-0.9%	18.1%
Real Estate	846.9	4.7%	840.2	4.6%	704.2	4.3%	0.8%	20.3%
Others	715.8	4.0%	712.2	3.9%	670.3	4.1%	0.5%	6.8%
Credit Cards	714.1	4.0%	655.6	3.6%	587.4	3.6%	8.9%	21.6%
Guarantees Issued	272.1	1.5%	54.7	0.3%	20.4	0.1%	397.2%	1233.9%
Credit Portfolio	17,977.8	100.0%	18,203.7	100.0%	16,405.1	100.0%	-1.2%	9.6%
Credits Assigned with Recourse ²	0.0		25.0		156.7		-100.0%	-100.0%
Total Credit Portfolio	17,977.8		18,228.6		16,561.8		-1.4%	8.5%

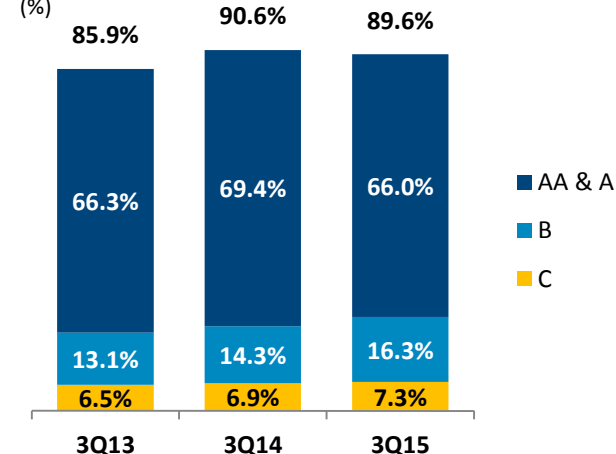
Credit Portfolio with Retained Result

(R\$ MM)



Portfolio Quality

(%)

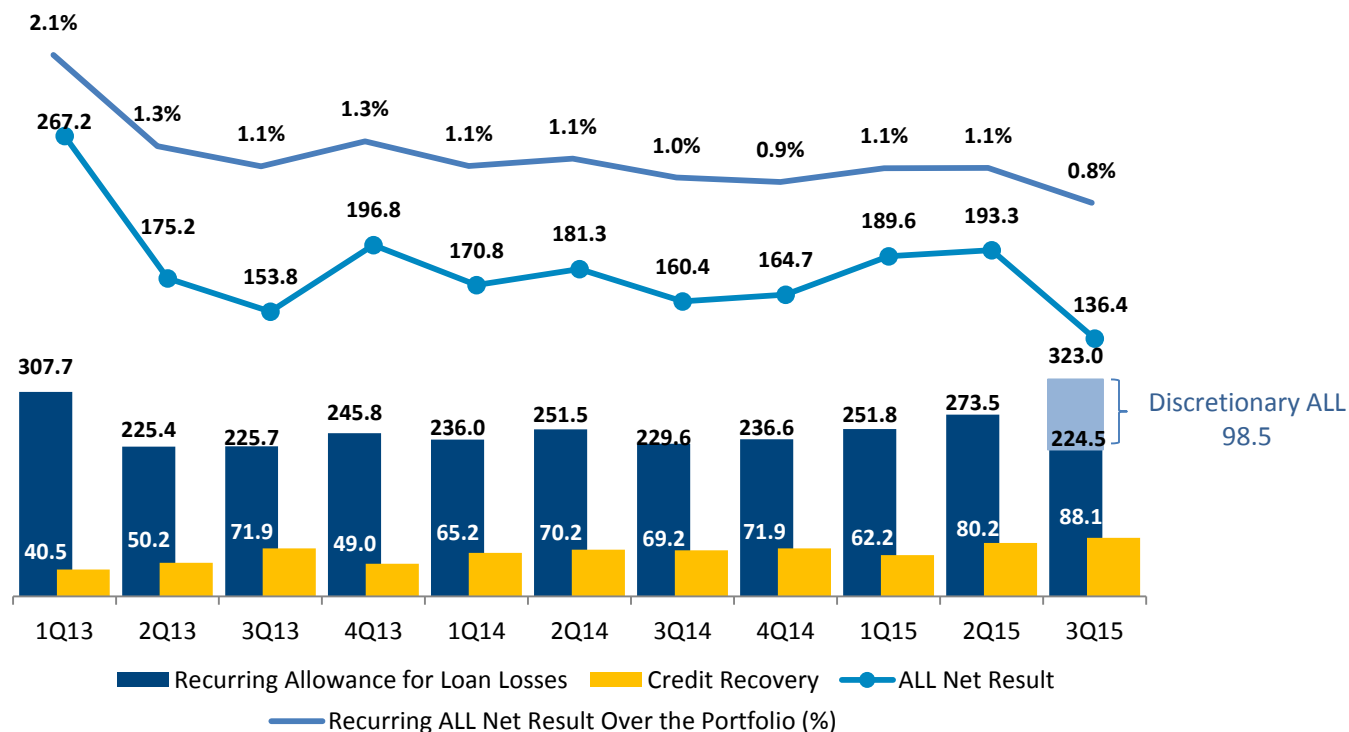


Costs and Expenses

G&A Expenses (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Personnel expenses	128.9	132.8	107.3	-2.9%	20.1%
Administrative expenses	147.7	143.2	142.0	3.2%	4.1%
1. Subtotal I	276.7	276.0	249.3	0.2%	11.0%
Comission Expenses - BACEN Circular 3,738	32.6	35.3	-	-7.6%	0.0%
Deferred Comissions and other origination expenses	146.1	136.0	110.6	7.4%	32.1%
2. Subtotal II	178.7	171.4	110.6	4.3%	61.6%
3. Total (I + II)	455.4	447.4	359.9	1.8%	26.5%

Allowance for Loan Losses and Credit Recovery

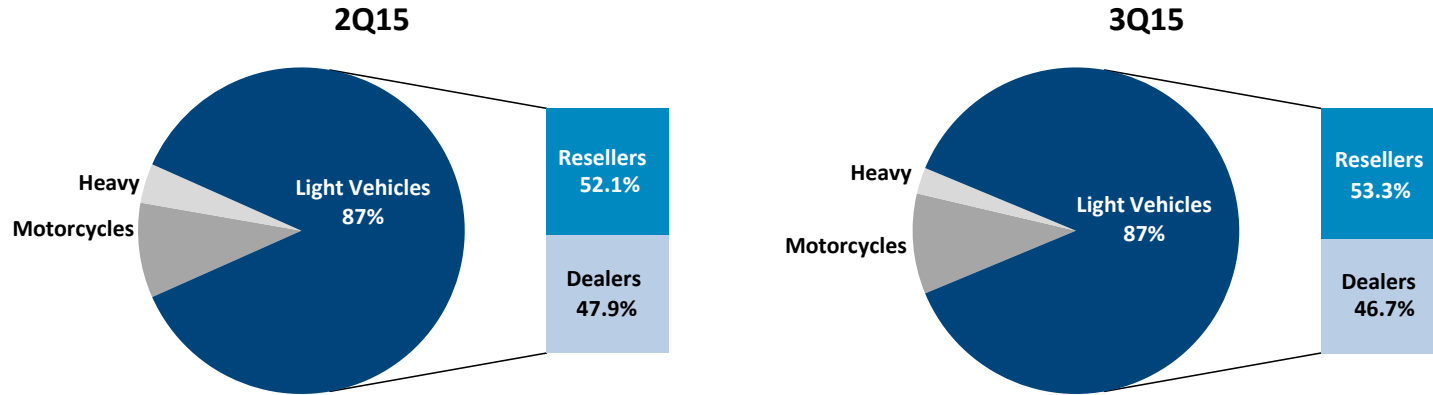
(R\$ MM and %)



Vehicle Loans

Share in new Vehicle Financing

(%)



Spread Out Origination

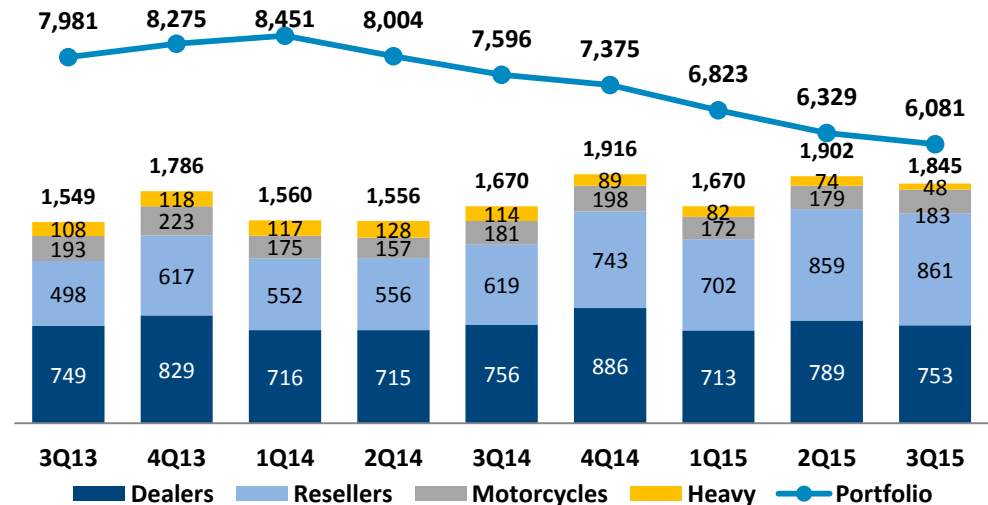
(%)

Origination by Group*	3Q15
Largest Group	2.2%
2 nd Largest Group	2.1%
3 rd Largest Group	1.3%
10 largest groups	12.0%
50 largest groups	23.0%

* % of total origination of vehicle financing by economic group (dealers network)

Evolution of Portfolio and Production by Product

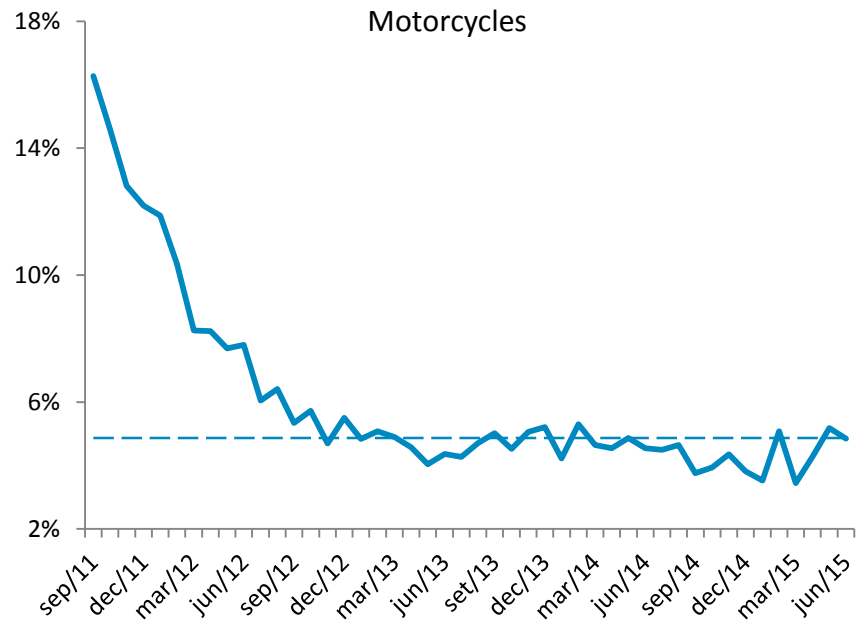
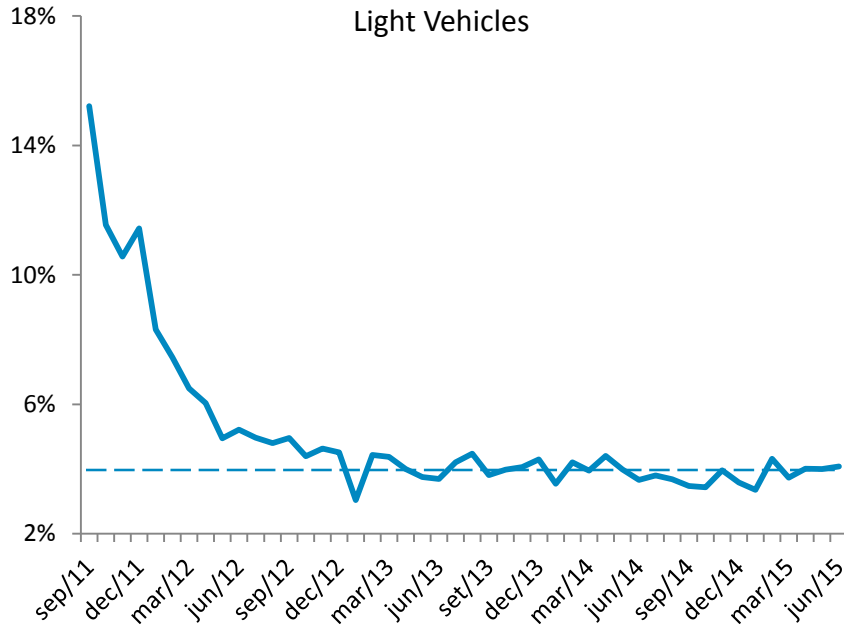
(R\$ MM)



Vehicle Loans

Delinquency per Vintage*

(%)

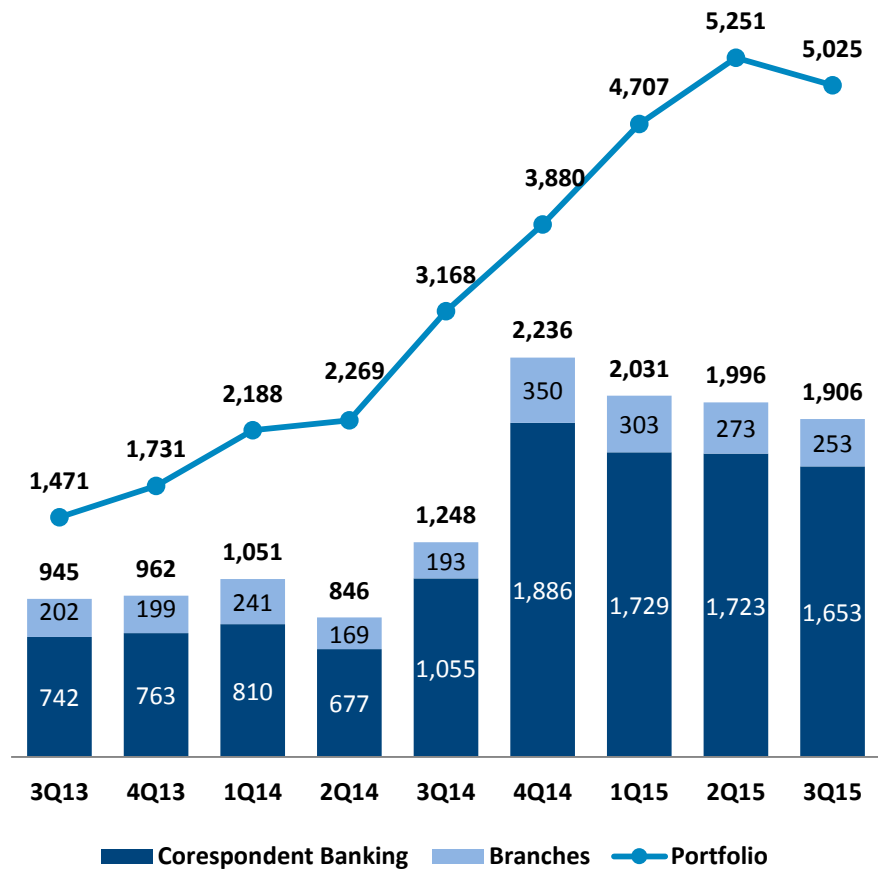


* % of non performing loans over 30 days 3 months after concession

Payroll Deduction Loans

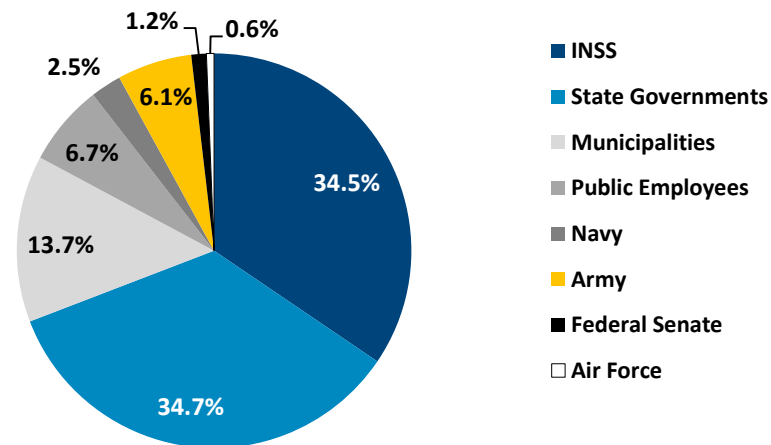
Evolution of Portfolio and Production

(R\$ MM)



Portfolio by Segment (3Q15)

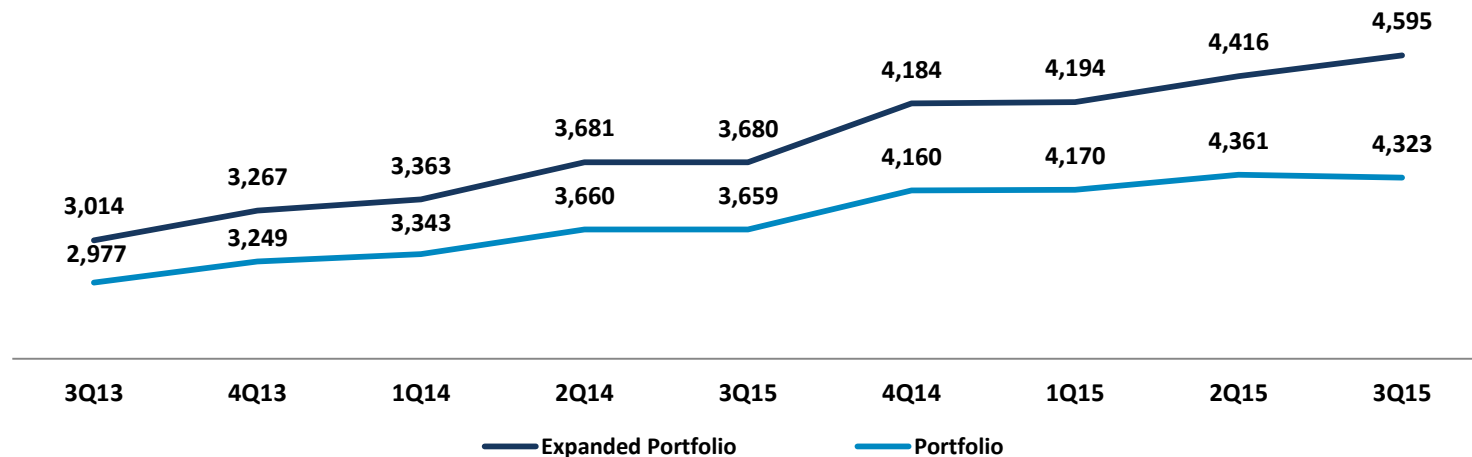
(%)



Corporate Loans

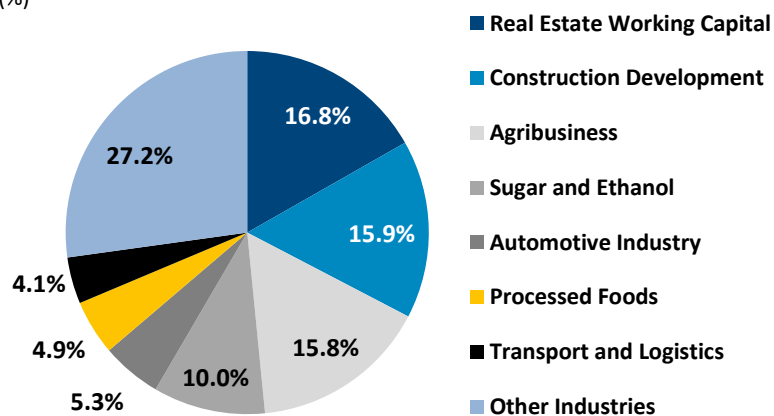
Evolution of Portfolio

(R\$ MM)



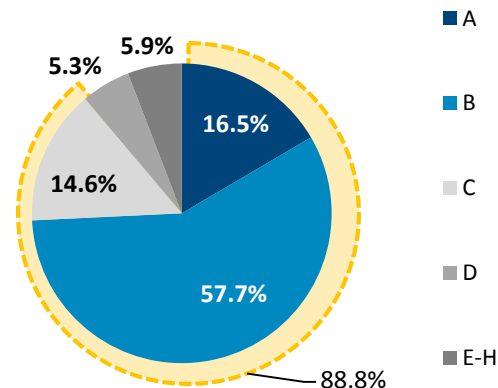
Corporate Loan Portfolio by Industry (3Q15)

(%)



Credit Portfolio by Rating (3Q15)

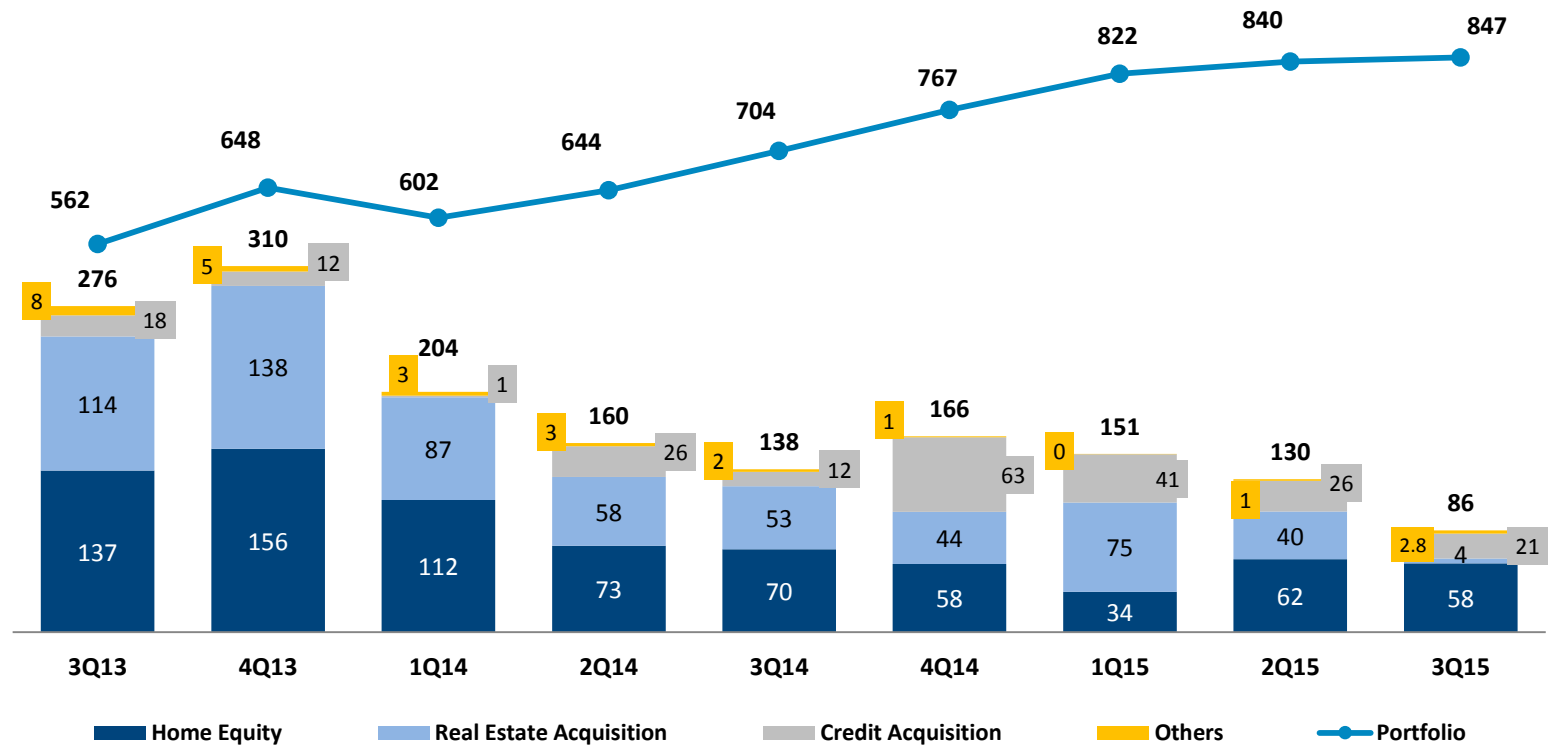
(%)



Real Estate Loans

Evolution of Portfolio and Production

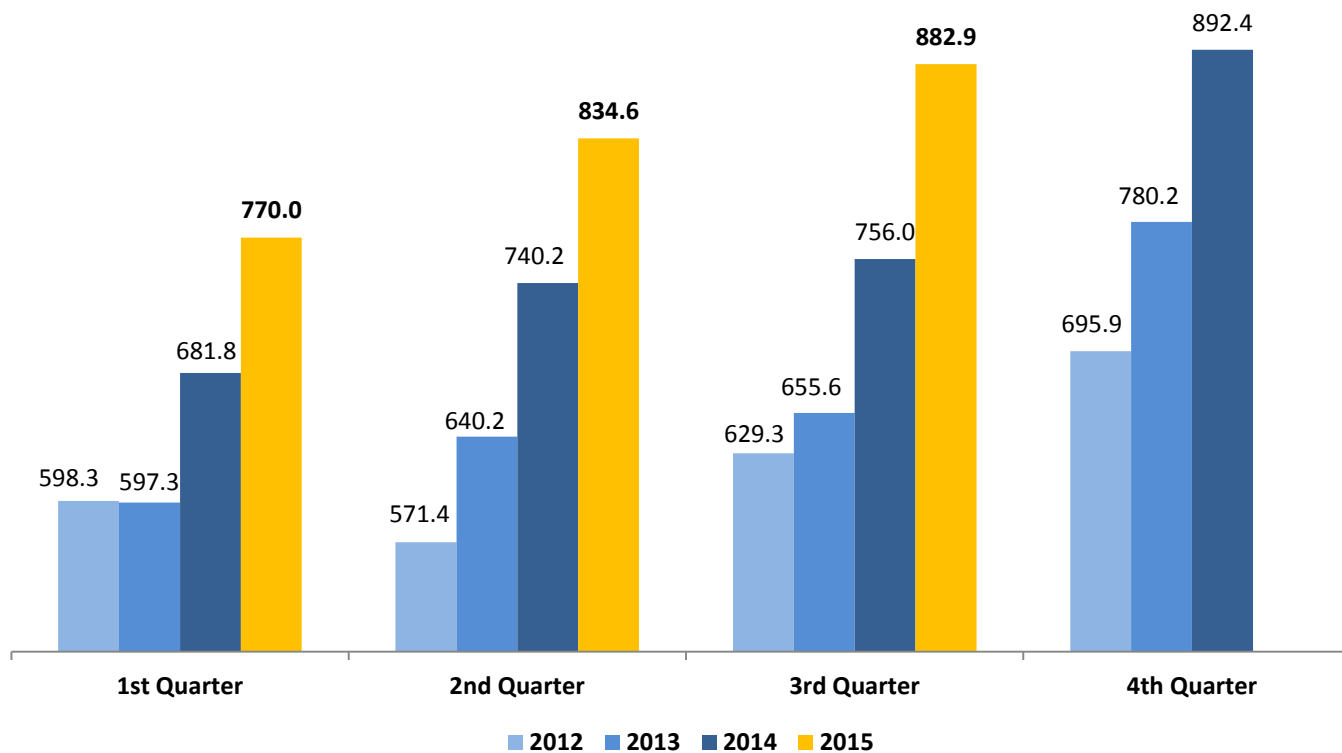
(R\$ MM)



Credit Cards

Transactions Volume

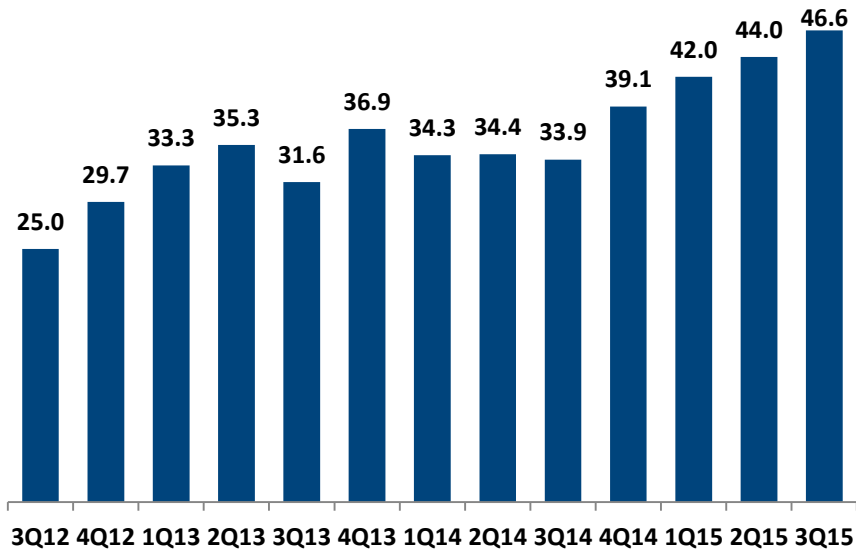
(R\$ MM)



Insurance

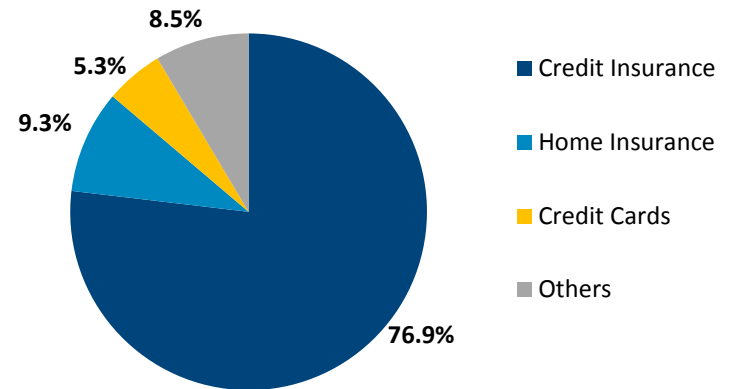
Insurance Premium – Pan’s Origination

(R\$ MM)



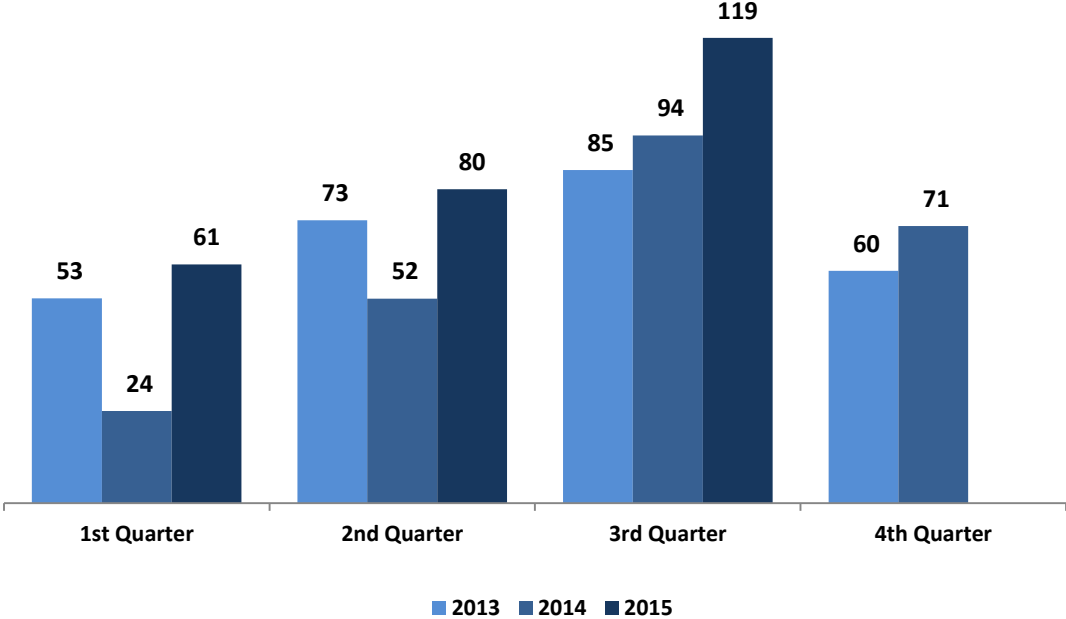
Insurance Premium – Origination by Product (3Q15)

(%)



Origination

(R\$ MM)



Funding

Funding Sources (R\$ MM)	3Q15	Part. %	2Q15	Part. %	3Q14	Part. %	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Interbank Deposits	8,617.3	44.4%	8,426.1	43.0%	8,370.3	44.9%	2.3%	3.0%
Time Deposits	3,097.2	16.0%	3,092.7	15.8%	2,666.3	14.3%	0.1%	16.2%
Real Estate and Agribusiness Letters of Credit	2,716.9	14.0%	2,496.7	12.8%	2,180.4	11.7%	8.8%	24.6%
Bonds	2,153.6	11.1%	2,647.4	13.5%	2,048.4	11.0%	-18.7%	5.1%
Bank Notes	1,977.8	10.2%	1,935.6	9.9%	2,251.7	12.1%	2.2%	-12.2%
Others	833.3	4.3%	974.4	5.0%	1,142.0	6.1%	-14.5%	-27.0%
Total	19,396.0	100.0%	19,572.8	100.0%	18,659.1	100.0%	-0.9%	3.9%

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